



OFFICE OF THE CITY CONTROLLER  
CITY OF HOUSTON  
TEXAS

RONALD C. GREEN

**To:** Mayor Annise D. Parker  
City Council Members

**From:** Ronald C. Green  
City Controller

**Date:** December 4, 2015

**Subject:** October 2015  
Financial Report

Attached is the Monthly Financial Report for the period ending October 31, 2015.

**GENERAL FUND**

The Controller's Office is projecting an ending fund balance of \$192.2 million for FY2016. This is \$35.3 million lower than the projection of the Finance Department. The difference is due to a \$35.3 million higher revenue projection from the Finance Department. Based on our current projections, the fund balance will be \$39.2 million above the City's target of holding 7.5% of total expenditures, excluding debt service and Pay As You Go (PAYGO), in reserve. Please remember the FY2015 Ending Fund Balance as shown is a draft until completion of the year-end audit.

We have increased our revenue projection \$27.8 million from our September projection. Our projection for Intergovernmental increased \$27.8 million to recognize the receipt from the Texas Health & Human Services for the Ambulance Supplemental Payment Program.

The major differences are in three categories:

- (1) Industrial Assessments is \$1.2 million lower, as Controller's Office is using a lower valuation and collection rate than Finance.
- (2) Sales Tax is \$21 million lower, as Controller's Office is projecting negative growth for FY2016.
- (3) Charges for Service is \$7.9 million lower, as Controller's Office is projecting lower Ambulance revenue.
- (4) Miscellaneous/Other is \$2.4 million lower, as Controller's Office is projecting lower one-time revenue receipts.

Expenditure projections were decreased \$11.6 million to reflect a decrease of \$15.4 million in the departments for various cost savings initiatives, as well as lower fuel costs, net of an increase of \$3.8 million in Fire for additional costs related to the Ambulance Supplemental Payment Program revenues above, and delayed uniform purchases from FY2015.

**ENTERPRISE FUNDS**

In the Aviation Operating Fund, we have decreased our projection for Operating Expenses \$5 million primarily for lower personnel costs related to vacancy savings. This change caused Operating Transfers to increase \$5 million.

We are currently projecting no material changes in the Convention & Entertainment Operating Fund, Combined Utility System Fund, Dedicated Drainage & Street Renewal Fund, and the Storm Water Fund this month.

**Mayor Annise D. Parker  
City Council Members  
October Monthly Financial Report**

**COMMERCIAL PAPER AND BONDS**

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. As of October 31, 2015, the ratio of unhedged variable rate debt for each type of outstanding debt was:

General Obligation	4.88%
Combined Utility System	1.92%
Aviation	14.70%
Convention and Entertainment	12.00%

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ronald C. Green", written over a horizontal line.

Ronald C. Green  
City Controller



# CITY OF HOUSTON

Finance Department

**Annise D. Parker**

Mayor

Finance Department  
P.O. Box 1562  
Houston, Texas 77251-1562

T. 832-393-9051  
F. 832-393-9116  
[www.houstontx.gov](http://www.houstontx.gov)

**To:** Mayor Annise D. Parker  
City Council Members

**Date:** December 4, 2015

**Subject:** 4+8 Financial Report

Attached is the 4+8 Financial Report for the period ending October 31, 2015. Fiscal Year 2016 projections are based on four months of actual results and eight months of projections.

## **General Fund**

We are currently projecting the ending fund balance of \$227.5 million, which is \$18 million higher than last month and 11.2% of expenditures less debt service and pay-as-you-go (PAYGO) transfers. This fund balance is based on the FY2015 unaudited preliminary ending fund balance.

The projection for Revenues and Other Sources increased by \$6.3 million from last month due to the following forecast changes:

- Sales Tax decreased by \$28.9 million to reflect the downturn in the economy and several months of lower receipts than anticipated. The sales tax receipts for September were \$1.2 million (2.1%) lower than the budget and \$1.3 million (2.2%) lower than the same period last year.
- Intergovernmental increased by \$27.8 million due to the reimbursement received for the Ambulance Supplemental Payment Program (ASPP). As a result of this reimbursement, the expenditure projection will increase by \$2.2 million for third party billing services for a net receipt of \$25.6 million.
- Charges for Services increased by \$7.3 million to reflect the final settlement of Ambulance Fees recoupment.

The projection for Expenditures and Other Uses decreased by \$11.6 million from last month mainly due to the following:

- \$15.4 million decrease due to cost savings initiatives in various departments and lower fuel cost.
- \$3.8 million increase in the Fire Department to reflect payment to third party billing provider for EMS billing services related to the ASPP program (\$2.2 million) and delayed uniform purchases from FY2015 as well as higher medical supply costs (\$1.6 million).

## **Enterprise, Special Revenue and Other Funds**

We are projecting no change in Enterprise Funds, Special Revenue Funds and all other funds from the 3+9 Report, with the exception of the following:

### **Aviation**

Operating Expenses decreased by \$5 million mainly due to vacancy savings. As a result, Operating Transfers increased by \$5 million.

### **Houston Emergency Fund**

Revenues decreased by \$2 million due to cost savings initiatives resulting in a lower transfer from General Fund.

### **Houston Economy**

**Energy** – The average oil price of \$46.22 for the month of October was 1.6% higher than prior month's average price of \$45.48. Comparing from the same period last year, the price has dropped by 45.2%. The average oil rig count of 597 for the month of October was 8.1% lower than prior month's count of 650. The rig count year-over-year comparison for the month of October showed a decrease of 62.5%. This has been a challenging year for Houston as oil prices remain depressed.

**Employment** – According to the Bureau of Labor Statistics, the preliminary total nonfarm employment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area stood at 3,000,600 in October 2015 up approximately 1.1% year-over-year. This is a milestone for the Houston Area, surpassing 3.0 million jobs for the first time. Hiring in other sectors offset loss in energy and manufacturing.

**Home Sales** – After recording on par 2014 sales, the Houston real estate market lost momentum in October as the downturn in the oil industry coupled with the traditional fall season slowdown. According to the latest monthly report prepared by the Houston Association of Realtors (HAR) for the month of October 2015, the total single-family home sales of 5,873 units was 10.2% lower compared to October 2014 of 6,541 units. Sales of all property types totaled 7,026 units, down 11.9% compared to last October.

If you have any questions, please feel free to contact me.

Sincerely,



Kelly Dowe

Director

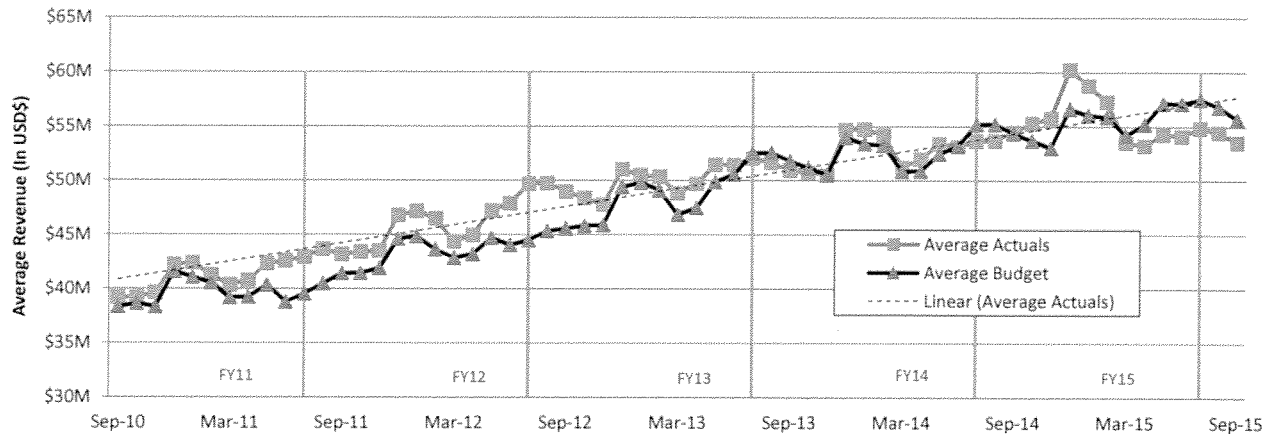




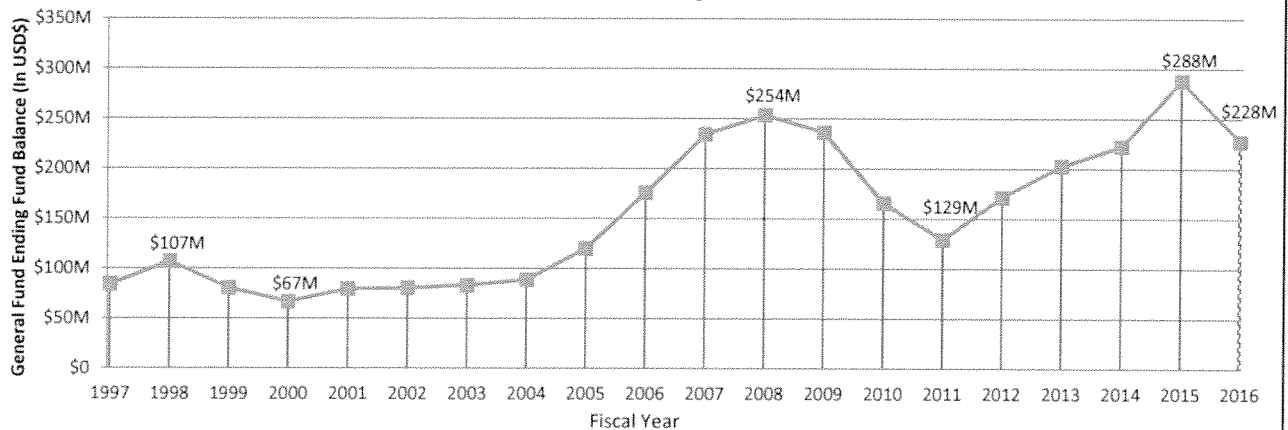
## General Fund (Fund 1000)

# Sales Tax Growth and Comparative Fund Balance

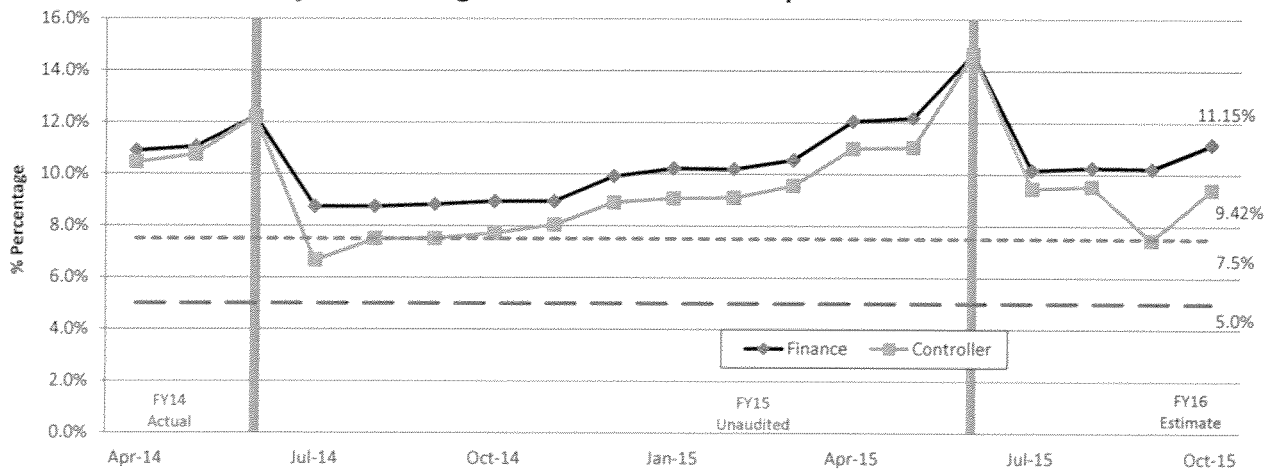
### Sales Tax - Three-month Rolling Average



### Historical Unassigned Ending Fund Balance



### General Fund Comparative Fund Balance Annual Projected Ending Fund Balance as % of Expenditures Less Debt\*





\*According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures before debt service and pay-as-you-go (PAYGO).



# General Fund (Fund 1000)

For the period ended October 31, 2015  
(amounts expressed in thousands)

 Actual YTD  
 Current Budget

	FY2016							Controller - Finance	Controller
	Unaudited Preliminary FY2015	Current Budget	Controller's Projection	Finance Projection	Actual YTD	Controller - Finance Variance			
Revenues									
General Property Taxes	1,074,435	1,114,029	1,129,976	1,129,976	8,562	-	<div><div></div></div>		
Industrial Assessments	16,736	18,200	17,000	18,200	395	(1,200)	<div><div></div></div>		
Sales Tax	667,061	688,837	629,200	650,200	220,051	(21,000)	<div><div></div></div>		
Other Taxes	15,992	16,679	16,275	16,679	3,859	(404)	<div><div></div></div>		
Electric Franchise	100,565	101,142	101,142	101,142	33,675	-	<div><div></div></div>		
Telephone Franchise	43,451	40,865	40,600	40,866	13,727	(266)	<div><div></div></div>		
Gas Franchise	14,538	14,840	14,840	14,840	4,947	-	<div><div></div></div>		
Other Franchise	31,283	30,945	30,300	30,965	10,327	(665)	<div><div></div></div>		
Licenses and Permits	37,999	37,870	37,280	37,885	11,619	(605)	<div><div></div></div>		
Intergovernmental	24,185	26,470	54,256	54,256	30,441	-	<div><div></div></div>		
Charges for Services	63,272	53,207	52,500	60,407	21,935	(7,907)	<div><div></div></div>		
Direct Interfund Services	47,851	50,705	50,705	50,705	16,511	-	<div><div></div></div>		
Indirect Interfund Services	25,328	26,750	26,750	26,750	7,171	-	<div><div></div></div>		
Municipal Courts Fines and Forfeits	25,447	28,698	25,000	25,681	7,600	(681)	<div><div></div></div>		
Other Fines and Forfeits	4,732	4,156	4,000	4,153	1,580	(153)	<div><div></div></div>		
Interest	3,040	3,000	3,000	3,000	798	-	<div><div></div></div>		
Miscellaneous/Other	17,217	12,757	22,156	24,560	14,853	(2,404)	<div><div></div></div>		
Total Revenues	2,213,132	2,269,150	2,254,980	2,290,265	408,051	(35,285)	<div><div></div></div>		
Expenditures									
Administration & Regulatory Affairs	28,891	29,526	29,282	29,282	15,529	-	<div><div></div></div>		
City Council	10,592	19,278	19,278	19,278	2,431	-	<div><div></div></div>		
City Secretary	805	889	889	889	238	-	<div><div></div></div>		
Controller	8,135	8,665	8,664	8,664	2,682	-	<div><div></div></div>		
Finance	18,359	20,525	20,114	20,114	5,880	-	<div><div></div></div>		
Fire	494,140	509,725	508,257	508,257	165,682	-	<div><div></div></div>		
General Services	41,817	41,246	40,937	40,937	10,956	-	<div><div></div></div>		
Health and Human Services	59,550	61,768	61,607	61,607	16,427	-	<div><div></div></div>		
Housing and Community Development	669	689	588	588	224	-	<div><div></div></div>		
Houston Emergency Center	12,518	12,364	10,364	10,364	6,182	-	<div><div></div></div>		
Human Resources	3,285	3,589	3,540	3,540	1,109	-	<div><div></div></div>		
Information Technology	22,554	24,164	24,147	24,147	7,525	-	<div><div></div></div>		
Legal	15,072	16,181	15,787	15,787	5,090	-	<div><div></div></div>		
Library	38,707	40,061	39,821	39,821	11,493	-	<div><div></div></div>		
Mayor's Office	7,600	8,229	8,043	8,043	3,780	-	<div><div></div></div>		
Municipal Courts	26,863	29,441	29,105	29,105	9,183	-	<div><div></div></div>		
Neighborhoods	12,018	12,238	12,148	12,148	3,783	-	<div><div></div></div>		
Office of Business Opportunity	2,743	2,932	2,900	2,900	1,044	-	<div><div></div></div>		
Parks and Recreation	68,621	71,285	70,371	70,371	22,513	-	<div><div></div></div>		
Planning and Development	7,708	8,472	8,332	8,332	2,554	-	<div><div></div></div>		
Police	741,252	807,083	804,244	804,244	274,622	-	<div><div></div></div>		
Public Works and Engineering	32,260	35,286	35,285	35,285	10,320	-	<div><div></div></div>		
Solid Waste Management	74,794	76,658	75,017	75,017	19,327	-	<div><div></div></div>		
Total Departmental Expenditures	1,728,953	1,840,294	1,828,720	1,828,720	598,574	-	<div><div></div></div>		
General Government	235,459	204,960	211,658	211,658	46,890	-	<div><div></div></div>		
Total Expenditures Other Than Debt	1,964,412	2,045,254	2,040,378	2,040,378	645,464	-	<div><div></div></div>		
Transfer to Special Revenues	-	27,771	27,771	27,771	-	-	<div><div></div></div>		
Captured Revenue Transfer to DDSRF	-	22,275	22,275	22,275	-	-	<div><div></div></div>		
Debt Service Transfer	264,500	295,954	295,954	295,954	-	-	<div><div></div></div>		
Total Expenditures and Other Uses	2,228,912	2,391,254	2,386,378	2,386,378	645,464	-	<div><div></div></div>		
Net Current Activity	(15,780)	(122,104)	(131,398)	(96,113)	(237,413)	(35,285)	<div><div></div></div>		
Other Financing Sources (Uses)									
Transfers from Other Funds	31,363	30,725	30,725	30,725	13,321	0	<div><div></div></div>		
Sale of Capital Assets	46,652	5,500	5,500	5,500	3,081	-	<div><div></div></div>		
Total Other Financing Sources (Uses)	78,015	36,225	36,225	36,225	16,401	(0)	<div><div></div></div>		
Fund Balances									
Fund Balance - Beginning of Year	222,621	287,843	287,843	287,843	287,843	-	<div><div></div></div>		
Changes to Designated Fund Balance*	-	(453)	(453)	(453)	-	-	<div><div></div></div>		
Budgeted Increase/(Decrease) in Fund Balance	62,235	(85,879)	(85,879)	(85,879)	(221,012)	-	<div><div></div></div>		
Change in Inventory/Prepaid Items/Imprest Cash	2,987	-	-	-	-	-	<div><div></div></div>		
(Budgeted Gap)/Increase in Fund Balance**	-	-	(9,294)	25,992	-	(35,285)	<div><div></div></div>		
Fund Balance, End of Year***	287,843	201,511	192,217	227,502	66,831	(35,285)	<div><div></div></div>		

\*The total designation for the Budget Stabilization Fund is currently \$3.4M. The \$17M was transferred to the 2015 Flood Disaster Fund.

\*\*A negative number in the Controller or Finance projections represents a gap between sources and uses of funds that was not included in the adopted budget. If this gap was not addressed by decreasing uses or increasing the sources of funds, it would require a drawdown of fund balance in order to balance the budget. A positive number represents a projected increase in fund balance.

\*\*\*According to the financial policies, Ordinance 2014-1078, the City is required to maintain an ending fund balance equal to 7.5% of expenditures less Debt Service and Pay-As-You-Go (PAYGO) which is \$153,028 based on current projections. The City will be \$39,190 above 7.5% based on the Controller's Projections for FY2016.

- Indicates projection exceeds 5% or \$5M of budget expenditures or projected revenues are 5% or \$5M less than current budget.



**Fund Summary - Other Funds**  
For the period ended October 31, 2015  
(amounts expressed in thousands)

	Beginning of Year Fund Balance	Revenues*					Finance	Controller
		Unaudited Preliminary FY2015	FY2016 Current Budget	FY2016 Actual YTD	Controller's Projection	Finance Projection		
<b>Enterprise</b>								
Aviation		499,558	501,727	165,334	502,300	502,300	✓	✓
Convention and Entertainment Facilities		106,759	106,147	40,837	106,147	106,147	✓	✓
Combined Utility System		986,065	1,060,788	405,137	1,060,788	1,060,788	✓	✓
Dedicated Drainage & Street Renewal**	27,672	216,228	224,055	61,256	224,280	224,280	✓	✓
Storm Water**	2,000	49,926	57,084	24,244	57,084	57,084	✓	✓
<b>Risk Management</b>								
Health Benefits	32,043	327,896	337,512	113,733	337,512	337,512	✓	✓
Long-Term Disability	829	1,344	1,344	456	1,344	1,344	✓	✓
Property and Casualty	75	29,449	35,743	521	35,743	35,743	✓	✓
Worker's Compensation	-	21,251	23,903	7,131	23,903	23,903	✓	✓
<b>Special Revenue</b>								
Asset Forfeiture	5,794	6,668	7,130	1,479	7,130	7,130	✓	✓
Auto Dealers	3,340	6,701	6,997	2,187	6,997	6,997	✓	✓
BARC Special Revenue	3,341	12,040	11,486	10,342	11,363	11,363	✓	✓
Bayou Greenway 2020	406	864	950	281	950	950	✓	✓
Building Inspection	41,023	83,398	73,783	30,641	73,783	73,783	✓	✓
Building (Court) Security	3	679	743	249	679	679	✓	✓
Cable Television	712	4,794	4,780	10	4,780	4,780	✓	✓
Child Safety	3	3,280	3,220	1,172	3,220	3,220	✓	✓
Contractors Responsibility	2,068	956	574	198	574	574	✓	✓
Digital Houston	353	4	-	1	1	1	✓	✓
Essential Public Health Services	12,520	17,614	19,473	2,180	19,473	19,473	✓	✓
Forensic Transition Special	25	10,703	11,321	2,619	11,321	11,321	✓	✓
Health Special Revenue	5,389	2,869	3,011	810	3,011	3,011	✓	✓
Historic Preservation	1,701	972	929	186	929	929	✓	✓
Houston Civic Events	4	2,158	2,932	1,694	2,967	2,967	✓	✓
Houston Emergency Center	5,223	25,451	26,245	8,144	24,245	24,245	✓	✓
Houston Transtar Center	2,100	2,406	2,091	557	2,091	2,091	✓	✓
Juvenile Case Manager	1,561	1,269	1,436	408	1,269	1,269	✓	✓
Laboratory Operations and Maintenance	531	483	539	197	539	539	✓	✓
Maintenance Renewal & Replacement	648	14,289	16,431	2	16,431	16,431	✓	✓
Parking Management	2,070	20,396	19,063	6,823	19,091	19,091	✓	✓
Parks Golf	1,422	5,635	6,289	1,983	6,289	6,289	✓	✓
Parks Special Revenue	6,561	2,184	2,038	681	2,038	2,038	✓	✓
Police Special Services	6,765	10,213	9,982	862	9,982	9,982	✓	✓
Recycling Expansion Program	719	819	2,577	180	2,577	2,577	✓	✓
Special Waste	2,805	2,792	2,809	775	2,809	2,809	✓	✓
Supplemental Environmental Protection	52	33	31	5	31	31	✓	✓
Swimming Pool Safety	893	1,074	1,191	371	1,191	1,191	✓	✓
Technology Fee	256	1,111	1,248	318	1,111	1,111	✓	✓

\* Revenues include non-operating revenues

\*\* Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity

Note: Finance's Projection updated on a quarterly basis

⚡ Indicates projected revenues are 5% or \$5M less than Current Budget





## Fund Summary - Other Funds

For the period ended October 31, 2015

(amounts expressed in thousands)

	Expenditures*					Net Current Activity (Proj.)	End of Year Fund Balance (Proj.)	Finance	Controller
	Unaudited Preliminary FY2015	FY2016 Current Budget	FY2016 Actual YTD	Controller's Projection	Finance Projection				
<b>Enterprise</b>									
Aviation	384,999	501,727	142,163	502,300	502,300	-		✓	✓
Convention and Entertainment Facilities	104,717	105,746	40,505	105,746	105,746	401		✓	✓
Combined Utility System	968,430	1,098,368	212,837	1,096,551	1,096,551	(35,763)		✓	✓
Dedicated Drainage & Street Renewal**	257,934	234,656	59,357	234,656	234,656	(10,376)	17,296	✓	✓
Storm Water**	50,052	57,084	15,090	57,084	57,084	-	2,000	✓	✓
<b>Risk Management</b>									
Health Benefits	325,942	346,609	115,393	346,609	346,609	(9,097)	22,946	✓	✓
Long-Term Disability	1,973	1,666	479	1,666	1,666	(322)	507	✓	✓
Property and Casualty	29,446	35,743	4,044	35,743	35,743	-	75	✓	✓
Worker's Compensation	21,251	23,903	6,606	23,903	23,903	-	-	✓	✓
<b>Special Revenue</b>									
Asset Forfeiture	6,684	12,100	1,359	12,100	12,100	(4,970)	824	✓	✓
Auto Dealers	7,722	8,771	2,947	8,771	8,771	(1,774)	1,566	✓	✓
BARC Special Revenue	9,974	12,360	3,493	12,235	12,235	(872)	2,469	✓	✓
Bayou Greenway 2020	458	950	191	950	950	-	406	✓	✓
Building Inspection	69,546	91,128	20,405	90,179	90,179	(16,396)	24,627	✓	✓
Building (Court) Security	754	762	208	682	682	(3)	-	✓	✓
Cable Television	4,619	4,918	611	4,918	4,918	(138)	574	✓	✓
Child Safety	3,337	3,220	897	3,220	3,220	-	3	✓	✓
Contractors Responsibility	933	1,078	49	1,078	1,078	(504)	1,564	✓	✓
Digital Houston	347	335	108	335	335	(334)	20	✓	✓
Essential Public Health Services	12,661	21,398	4,905	21,398	21,398	(1,925)	10,595	✓	✓
Forensic Transition Special	10,703	11,321	3,433	11,321	11,321	-	25	✓	✓
Health Special Revenue	3,019	4,191	1,029	4,191	4,191	(1,180)	4,209	✓	✓
Historic Preservation	291	760	56	760	760	169	1,870	✓	✓
Houston Civic Events	2,154	2,932	832	2,967	2,967	-	4	✓	✓
Houston Emergency Center	24,035	26,245	7,930	26,245	26,245	(2,000)	3,223	✓	✓
Houston Transtar Center	2,720	3,107	628	3,107	3,107	(1,016)	1,084	✓	✓
Juvenile Case Manager	1,474	2,007	518	2,007	2,007	(738)	823	✓	✓
Laboratory Operations and Maintenance	262	711	246	711	711	(172)	359	✓	✓
Maintenance Renewal & Replacement	13,641	16,431	3,491	16,431	16,431	-	648	✓	✓
Parking Management	20,365	20,934	1,881	20,934	20,934	(1,843)	227	✓	✓
Parks Golf	5,577	6,290	2,106	6,290	6,290	(1)	1,421	✓	✓
Parks Special Revenue	2,465	2,422	462	2,422	2,422	(384)	6,177	✓	✓
Police Special Services	9,360	11,558	2,578	11,558	11,558	(1,576)	5,189	✓	✓
Recycling Expansion Program	2,606	3,365	50	3,365	3,365	(788)	(69)	✓	✓
Special Waste	3,548	4,626	1,541	4,626	4,626	(1,817)	988	✓	✓
Supplemental Environmental Protection	189	61	2	61	61	(30)	22	✓	✓
Swimming Pool Safety	978	1,223	344	1,223	1,223	(32)	861	✓	✓
Technology Fee	995	992	119	992	992	119	375	✓	✓

\* Expenditures include non-operating expenditures

\*\* Dedicated Drainage Fund and Storm Water Fund are not technically Enterprise Funds, but are grouped with the Combined Utility System for clarity

Note: Finance's Projection updated on a quarterly basis

† Indicates projection exceeds 5% or \$5M of budget expenditures

**City of Houston, Texas**  
**Commercial Paper Issued and Available**  
**For the period ended October 31, 2015**  
(amounts expressed in millions)

<b>COMMERCIAL PAPER</b>	<b>Draws FY16</b>	<b>Draws Month</b>	<b>Refunded FY16</b>	<b>Amount Available to be Drawn</b>	<b>Amount Outstanding</b>
<b>General Obligation</b>					
<i><b><u>Voter Authorized 2001 &amp; 2006 Election</u></b></i>					
Series G-1	0.00	0.00	0.00	75.00	0.00
Series G-2	0.00	0.00	0.00	94.90	30.10
Series H-2	10.00	0.00	0.00	80.20	19.80
Series J	0.00	0.00	0.00	115.00	10.00
<i><b><u>Non-Voter Authorized</u></b></i>					
Series E1-Equipment & Capital	5.00	0.00	0.00	38.00	62.00
Series E2- Equipment & Capital	0.00	0.00	0.00	35.00	35.00
Series E2- Metro Street Projects	0.00	0.00	0.00	30.00	0.00
Series K-1	0.00	0.00	0.00	150.00	0.00
Series K-2	0.00	0.00	0.00	100.00	0.00
<b>Total General Obligation</b>	<b>15.00</b>	<b>0.00</b>	<b>0.00</b>	<b>718.10</b>	<b>156.90</b>
<b>Combined Utility System</b>					
Series B-1	0.00	0.00	0.00	100.00	0.00
Series B-2	0.00	0.00	0.00	75.00	0.00
Series B-3	0.00	0.00	0.00	5.00	70.00
Series B-4	0.00	0.00	0.00	50.00	50.00
Series B-5	0.00	0.00	0.00	250.00	0.00
Series B-6	0.00	0.00	0.00	100.00	0.00
<b>Total Combined Utility System</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>580.00</b>	<b>120.00</b>
<b>Airport System</b>					
Series A&B	20.00	10.00	0.00	80.50	69.50
<b>Total Airport System</b>	<b>20.00</b>	<b>10.00</b>	<b>0.00</b>	<b>80.50</b>	<b>69.50</b>
<b>Totals</b>	<b>\$35.00</b>	<b>\$10.00</b>	<b>\$0.00</b>	<b>\$1,378.60</b>	<b>\$346.40</b>

**City of Houston, Texas**  
**Total Outstanding Debt**  
**For the period ended October 31, 2015**  
**(amounts expressed in thousands)**

	October 30, 2015	October 30, 2014
<b>Payable from Ad Valorem Taxes</b>		
Public Improvement Bonds <sup>(a)</sup>	2,447,340	2,619,645
Commercial Paper Notes <sup>(b)</sup>	156,900	59,900
Pension Obligations	594,640	601,430
Certificates of Obligations	16,360	18,660
<b>Subtotal</b>	<b>3,215,240</b>	<b>3,299,635</b>
<b>Payable from Sources Other Than Ad Valorem Taxes</b>		
<b>Combined Utility System</b>		
Combined Utility System Revenue Bonds	5,908,360	5,944,050
Combined Utility System Commercial Paper Notes <sup>(c)</sup>	120,000	0
Water and Sewer System Revenue Bonds <sup>(d)</sup>	147,079	149,877
Contract Revenue Obligations - CWA	85,925	98,900
<b>Airport System</b>		
Airport System Sr. Lien Bonds <sup>(e)</sup>	440,385	449,660
Airport System Subordinate Lien	1,654,040	1,711,170
Airport System Sr. Lien Commercial Paper Notes <sup>(f)</sup>	69,500	19,500
Airport System Inferior Lien Contracts <sup>(g)</sup>	12,155	17,760
Airport Special Facilities Revenue Bonds <sup>(h)</sup>	813,845	663,480
<b>Hotel Occupancy Tax and Civic Parking</b>		
Facilities Revenue Bonds <sup>(i)</sup>	622,375	573,312
Hotel Occupancy Tax And Parking Revenue Commercial Paper <sup>(j)</sup>	0	42,000
<b>Subtotal</b>	<b>9,873,664</b>	<b>9,669,709</b>
<b>Total Debt Payable by the City</b>	<b>\$13,088,904</b>	<b>\$12,969,344</b>

- (a) In Nov 2001 voters authorized \$776 million in tax bonds. In Nov 2006 voters authorized \$625million in tax bonds. In Nov 2012 voters authorized an additional \$410 million in tax bonds.
- (b) The City has authorized maximum issuance of General Obligation Commercial Paper Programs Series E-1: \$100 million, E-2: \$100 million, G-1: \$75 million, G-2: \$125 million,H-2: \$100 million, J: \$125 million, K1: \$150 million and K2: \$100 million.
- (c) The City has authorized \$700 million in Combined Utility System Commercial Paper Notes.
- (d) Includes \$ 89.7 million accreted value of capital appreciation bonds at this date and \$82 million last year.
- (e) The Houston Airport System issued Senior Lien Revenue bonds on August 20, 2009.
- (f) City Council has authorized \$150 million of Airport Senior Lien Commercial Paper Notes Series A and B.
- (g) Under a sublease agreement, the Houston Airport System has agreed to make sublease payments that include the debt service payments on the Series 1997A Special Facilities Bonds that financed the Automated People Mover ("APM") at George Bush Airport. These sublease payments constitute Inferior Lien Obligations under the Airport bond ordinances.
- (h) All Special Facility Revenue Bonds are secured solely from Special Facility Lease Revenues. Does not include \$17.8 million for Series 1997A Special Facilities Bonds. See footnote (g).
- (i) Includes \$141.5 million accreted value of capital appreciation bonds at this date and \$131 million last year.
- (j) The City authorized \$75 million of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Commercial Paper in October 2013, currently there is no commercial paper outstanding

**City of Houston, Texas**  
**Voter-Authorized Obligations**  
**For the period ended October 31, 2015**  
**(amounts expressed in thousands)**

<u>Purposes</u>	<u>Voter Authorized</u>	<u>Approved by City Council for Issuance as Commercial Paper Notes</u>	<u>Commercial Paper Issued <sup>(a)</sup></u>	<u>Commercial Paper Notes Approved by City Council but Unissued</u>	<u>All Voter Authorized but Unissued</u>
<b>November 2001 Election</b>					
Streets, Bridges, Traffic Control	\$ 474,000	\$ 474,000	\$ 470,300	\$ 3,700	\$ 3,700
Parks and Recreation	80,000	80,000	80,000	0	0
Police and Fire Departments	82,000	82,000	82,000	0	0
Permanent and General Improvements <sup>(b)</sup>	80,000	80,000	80,000	0	0
Public Libraries	40,000	40,000	40,000	0	0
Low Income Housing	20,000	20,000	10,985	9,015	9,015
<b>Total</b>	<b>\$ 776,000</b>	<b>\$ 776,000</b>	<b>\$ 763,285</b>	<b>\$ 12,715</b>	<b>\$ 12,715</b>
<b>November 2006 Election</b>					
Streets, Bridges, Traffic Control	\$ 320,000	\$ 219,950	\$ 76,700	\$ 143,250	\$ 243,300
Parks and Recreation	55,000	55,000	55,000	0	0
Public Safety	135,000	135,000	109,905	25,095	25,095
Permanent and General Improvements <sup>(b)</sup>	60,000	60,000	58,450	1,550	1,550
Public Libraries	37,000	37,000	37,000	0	0
Low Income Housing	18,000	18,008	3,500	14,508	14,500
<b>Total</b>	<b>\$ 625,000</b>	<b>\$ 524,958</b>	<b>\$ 340,555</b>	<b>\$ 184,403</b>	<b>\$ 284,445</b>
<b>November 2012 Election</b>					
Streets, Bridges, Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation	166,000	91,726	6,000	85,726	160,000
Public Safety	144,000	107,023	3,710	103,313	140,290
Permanent and General Improvements <sup>(b)</sup>	57,000	38,600	6,750	31,850	50,250
Public Libraries	28,000	24,916	5,850	19,066	22,150
Low Income Housing	15,000	2,000	0	2,000	15,000
<b>Total</b>	<b>\$ 410,000</b>	<b>\$ 264,265</b>	<b>\$ 22,310</b>	<b>\$ 241,955</b>	<b>\$ 387,690</b>
<b>Combined Total (2001, 2006, 2012 Elections)</b>	<b>\$ 1,811,000</b>	<b>\$ 1,565,223</b>	<b>\$ 1,126,150</b>	<b>\$ 439,073</b>	<b>\$ 684,850</b>

(a) As of September 30, 2015

(b) Includes Public Health and Solid Waste Management

Note: This schedule sets forth the categories of bond authorization approved by the voters in elections held in November of 2001 (the "2001 Election") and November of 2006 (the "2006 Election"), and November of 2012 (the "2012 Election"), the amount of each such authorization approved by City Council for issuance as Commercial Paper Notes, the amount of commercial paper issued as of year-end, and the amount of commercial paper approved but unissued. The City has issued all bonds authorized at the election held in November of 1997.

## **Fund Descriptions**

### **General Fund (1000)**

General Revenues (i.e. property taxes, sales taxes, franchise fees, Municipal Courts fines, etc.) are budgeted and received in the General Fund for the support of most basic city services. Operations and services for public safety, financial services, libraries, solid waste management, health, most parks and recreation services, street traffic control, esplanade mowing and citywide administration are included in the General Fund.

### **Enterprise Funds**

#### **Aviation Operating Fund (8001)**

The Aviation Operating Fund is an enterprise fund which accounts for operation of the City's airport system. The airport system is comprised of the George Bush Intercontinental Airport/Houston, William P. Hobby Airport, and Ellington Field. Activities of the department include: operations, maintenance, planning and construction, public service and administration. The Department coordinates its activities with the Federal Aviation Administration (FAA), other federal and state agencies, the airlines, and tenants of the airport facilities.

#### **Convention and Entertainment Facilities Operating Fund (8601)**

The Convention and Entertainment Facilities Operating fund is an enterprise fund that accounts for the operation of the City's five major entertainment centers and city-owned parking garages: Jesse H. Jones Hall, Bayou Place, Gus S. Wortham Center, George R. Brown Convention Center and Theater District Garage.

#### **Combined Utility System Fund (8300, 8301, 8305)**

The Combined Utility System is composed of three separate funds: the Water and Sewer System Operating Fund; the Combined Utility System Operating Fund and the Combined Utility System General Purpose Fund. The fund provides for the operation of the City's treated and untreated water, as well as, receives and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers. This fund is administered by the Public Works & Engineering Department.

### **Risk Management Funds**

#### **Health Benefits Fund (9000)**

The Health Benefits Fund, an Internal Service Fund administered by the Human Resources Department, was established in 1984 to centralize the financial transactions for the City's benefit plans. Health Benefits Effective May 1, 2011, the City elected to be substantially self-insured and awarded CIGNA a three year contract with two (2) one-year renewal options for 4 new health plans. The new health benefits model is composed of four (4) plans, all of which have heavy emphasis on a wellness component, and includes; 1) a limited network HMO-type plan, 2) an open access PPO-type plan with no out-of-network coverage, 3) a consumer driven high deductible Health Plan (CDHP), partnered with a health reimbursement account, and 4) a specific plan for retirees, mostly those under age 65, who live outside the limited network service area but who live in Texas. Effective 08/01/11, all 65+ Medicare eligible retirees must enroll in the 6 MA plans or opt out. These plans are supported by contributions from the city and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.

#### **Long Term Disability Fund (9001)**

The Long Term Disability (LTD) Plan is a self-insured program accounted for as an internal service fund. Established in 1985 and revised in 1996 as part of the Income Protection Plan (IPP) (renamed the Compensable Sick Leave Plan (CSL) in October 1996), the plan provides paid long-term sick leave for City employees.

#### **Property and Casualty Fund (1004)**

The Property and Casualty Fund was established to monitor the financial requirements of the Property and Risk Management Programs. This activity is primarily self-funded. The revenue is generated from assessed premiums to the other funds. These premiums are based upon projected expenditures. All risk to the City's assets (except Workers Compensation, Life, Health Benefits, and Long Term Disability) fall within the scope of this fund.

#### **Workers' Compensation Fund (1011)**

The Workers' Compensation Fund is a revolving fund administered by the Human Resources Department. The Fund was established to centralize the financial transactions in the areas of Accident Prevention, Loss Control and Workers' Compensation.

## **Special Revenue Funds**

### **Asset Forfeiture Fund (2202, 2203, 2204)**

This fund is administered by the Houston Police Department (HPD). The City receives forfeited funds resulting from HPD's role in drug-related seizures. This fund provides resources beyond HPD's General Fund budget for crime enforcement. Specifically, this fund is used to address the drug problem in a manner consistent with the department's Comprehensive Narcotics Plan.

### **Auto Dealers Fund (2200)**

This fund is budgeted to pay the license fees paid by tow truck drivers and various automotive sales, repair, storage and salvage dealers to finance a portion of the Police Department's enforcement efforts regarding privately owned storage lots. This fund is also administered by the Police Department.

### **BARC Special Revenue Fund (2427)**

BARC (Bureau of Animal Regulation and Care) is authorized to receive funds from any source for the purpose of supporting the maintenance and operation of the City's animal shelter facilities and programs. This fund is administered by the Administration and Regulatory Affairs Department.

### **Bayou Greenway 2020 Fund (2106)**

The Bayou Greenway 2020 Fund is administered by the Houston Parks Department. This fund was created to manage the maintenance of the Bayou Greenways 2020 project based upon the Bayou Greenways 2020 initiative entered between the City of Houston and the Houston Parks Board, Inc. in December 2013.

### **Building Inspection Fund (2301)**

This fund includes all construction and building permit revenues and expenditures for inspections and permitting activities. Outdoor sign license fees are received in this fund for enforcement of the City's sign ordinance. This fund is administered by the Public Works and Engineering (PWE) Department.

### **Building (Court) Security Fund (2206)**

This Fund was established in FY1997 and is administered by the Municipal Courts Department. This fund includes all security related contractual expenditures and additional security enhancements for the courts. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Municipal Court Building Security Fund is to protect the health and welfare of civilians and employees by ensuring that adequate equipment, procedures, and personnel are present at all court facilities.

### **Cable TV Fund (2401, 2428)**

This fund, under certain cable television franchise agreements with the City, receives contributions on a subscriber basis. This fund is used for public access cable television programming and related costs in the Cable Television Special Fund. The Mayor's Office is responsible for administering this fund.

### **Child Safety Fund (2209)**

This fund is used to account for monies received for public, parochial and private school crossing guard programs. Revenues to the fund comes from an assessment of Municipal Court fee's on non-criminal municipal violations and a portion of each vehicle registration authorized by Harris County. The Police Department administers this fund.

### **Contractors Responsibility (2424)**

The Contractors Responsibility Fund was created for the Pay or Play Program (POP), which is administered by the Office of Business Opportunity. The Pay or Play program is designated to foster the health care options for the citizens of Houston and Harris County area, create a level playing field for contractors bidding on City of Houston projects and defray the cost of the local uninsured workforce.

### **Dedicated Drainage & Street Renewal Fund (2310)**

Ordinance 2010-879 requires funding in the amount equivalent to proceeds from \$0.118 of the City's ad valorem tax levy minus an amount equal to debt service for drainage and streets to the Dedicated Drainage & Street Renewal Fund.

### **Digital Houston Fund (2422)**

This fund is used by the City of Houston to build a citywide wireless broadband Wi-Fi mesh network that will provide affordable high-speed internet access for residents and visitors to Houston; thus creating a digital future for Houstonians through a digital literacy effort in support of achieving Houston's educational workforce and educational goals. This fund is administered by the Library Department.

**Essential Public Health Services (2010)**

The Essential Public Health Services Fund was created for the purpose of offsetting costs associated with the administration of Medicaid Transformation Waiver projects and to perform other essential public health services. This fund will capture the costs and reimbursement of the expenses for the projects. The expected reimbursements are for costs that are incurred for the expansion of health and human services.

**Forensic Transition Special Fund (2213)**

The Forensic Transition Special Fund was created for the transition of forensic operations from the Houston Police Department to the independent Houston Forensics Science Local Government Corporation (LGC). The fund's budget covers City of Houston employees that provide services to the Houston Forensic Science LGC.

**Health Special Revenue Fund (2002)**

Health Special Revenue Fund contains several revenue generating activities that are supported by ordinances, including the following: Consumer Foods Technology Fee, Ambulance Permit Fee, Vital Statics, Geriatric Dental Program, and donated fund for community activities or special events coordinated by Children and Family Services Division and Community Health Services Division.

**Historic Preservation Fund (2306)**

This fund is administered by the Planning and Development Department and the Houston Public Library. This fund was established in FY2010 to utilize funds set aside from the sale of historic fire stations by the City in FY2009. This fund is used to promote historic preservation programs. It utilizes City funds as seed money to encourage private investment, attract grant funds, and support educational programs that will further preservation efforts in Houston. This fund also provides future funding for the maintenance needs of the historic Julia Ideson Building.

**Houston Civic Events Fund (2429)**

The fund is administered by the Mayor's Office. This fund was created to promote consistent quality, family-oriented entertainment to Houston citizens and visitors. It is used to enhance the image of the City and highlight Houston's diverse culture. In addition to event production, the Mayor's Office of Special Events processes requests for special events, parade and street function permits, evaluates event co-sponsorship on city property, and provides production assistance for sponsored, co-sponsored, or fee-paid events.

**Houston Emergency Center Fund (2205)**

This fund consolidates the City's four separate emergency services into one state of the art facility. This fund is administered by the Houston Emergency Center.

**Houston TranStar Center Fund (2402)**

Houston TranStar Center, formerly known as the Greater Houston Transportation & Emergency Management Center, was built through a cooperative effort among the City of Houston, Harris County, Metropolitan Transit Authority (METRO) and the Texas Department of Transportation (TxDOT). The center houses personnel responsible for and/or involved with transportation and emergency management planning and operations in the Houston/Harris County area. Funding for the center is received from each member agency and is prorated based on occupancy and use of center facilities.

**Juvenile Case Manager Fund (2211)**

This Fund was established in FY2009 and is administered by the Municipal Courts Department. This fund includes expenditures for the salary, benefits, and operational costs related to the Juvenile Case Manager staff. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The mission of the Juvenile Case Manager Fee Fund is to partner with school districts within the City of Houston in an effort to increase school attendance and reduce truancy through early identification, assessment and prevention services, to enhance the accountability of students and families, and to limit a juvenile's exposure to the criminal justice system.

**Laboratory Operation and Maintenance Fund (2008)**

The Laboratory Operations and Maintenance Fund is designated for the retention of all revenues from laboratory fees. All laboratory fees charged and revenues collected are to defray the costs associated with the purchase, maintenance, operation, and utilization of City Laboratories, including but not limited to, infrastructure, equipment, supplies, software, and hardware systems, and with performing public health surveillance tests.

**Maintenance Renewal and Replacement Fund (2105)**

This fund is to provide funds needed to maintain and replace systems in buildings and assets as well as to protect the City of Houston's investments. This fund recognizes the shared responsibility of the City and its departments to maintain, upgrade, or replace building systems as they approach the end of their life cycle. This fund also addresses development and maintenance of the physical infrastructure of these facilities. This fund is administered, in partnership, by General Services and Houston Parks and Recreation departments.

**Parking Management Fund (8700)**

This fund is responsible for managing and providing on-street parking alternatives to the citizens in the Greater Houston area. This fund is administered by the Administration and Regulatory Affairs Department.

**Parks Golf Special Fund (2104)**

This fund was created to receive all City revenues derived from all City-owned golf facilities, whether operated by the City or private entities, including all related concessions fees, to be used exclusively for the maintenance, operating and improvements of any or all such golf courses.

**Parks Special Revenue Fund (2100)**

This fund is used to account for revenues and certain expenditures related to operations of the City's municipal golf courses and youth programs. This fund is administered by the Parks and Recreation Department.

**Police Special Services Fund (2201)**

This fund is used to account for activities that are not covered under the General Fund Budget. The activities include joint police operations, security and traffic control, undercover support services and use of HPD facilities. The Police Department administers this fund.

**Recycling Expansion Program Fund (2305)**

This fund was created to allocate dedicated funds to be used for the expansion and implementation of the City's Recycling Programs. Efforts include citywide tree waste recycling, additional neighborhood depository sites, curbside recycling and increased education and outreach. These efforts allow the City to improve its current landfill diversion rate. This fund is administered by the Solid Waste Management Department.

**Special Waste Fund (2423)**

The Health and Human Services Special Waste Fund pertains to fees issuance of permits or registration certificate. The Fats, Oil, and Grease (FOG) section is responsible for the permitting of all special waste generators, transporters and biological pretreaters in the City of Houston. The goal of the FOG program is to prevent the infiltration of fats, oils, and grease into the sanitary sewer, and to assure that the City's infrastructure and the health of the citizens are protected.

**Storm Water Fund (2302)**

This fund receives revenue from the Combined Utility System Fund and Dedicated Drainage and Street Renewal Fund. Funds are transferred to this fund to support storm water drainage operation and maintenance activities. The core purpose is to provide the best level of maintenance to the storm water infrastructure with the resources provided and to maintain flow of storm water free of debris and foreign objects that cause flooding.

**Supplemental Environmental Protection Fund (2404)**

This fund is for the advancement of the goals of clean air and water and to enhance the community environment impacted by criminal environmental violators. This fund is administered by the Police Department.

**Swimming Pool Safety Fund (2009)**

This fund receives proceeds from enforcing municipal, state and federal pool and spa safety standards. State and federal pool and safety standards apply to all pools and spas serving more than two dwellings; in accordance with the requirements, operators of pool and spas at apartment or condominium projects are required to obtain permits and to comply with the standards. The fees collected in pursuant of swimming pool and spa safety are used for the purposes of activities related to permitting, inspecting, monitoring, abating, controlling, educating and enforcement of municipal, state and federal standards. This fund is administered by the Health and Human Services Department.

**Technology Fee Fund (2207)**

This Fund was established in FY2001 and is administered by the Municipal Courts Department. Revenue is generated by the collection of a court fee for each paid conviction as allowed by State law. The purpose of the fund is to finance technological enhancements for the Municipal Courts and maintain systems to operate in an efficient manner.